requirement. They impact the competing carrier's ability to provide operator services.

These measures impose uneconomic trunking requirements on the competitor. They limit the ability to make simultaneous calls to the same individual number, which would be needed by large customers. They complicate reconciliation of customer complaints because they involve two numbers and two networks. There is a potential for customer confusion because the end user bill may reflect a LEC charge while service is being billed by the competing LEC. They also affect the standard recording equipment used for customer billing.

Furthermore, because interstate calls performed using these measures must pass the incumbent LEC's network, the LEC and not the competing local service provider would recover interstate access charges from IXCs under the existing access regime. These interim solutions are confounding the access charge process and should be superseded as soon as possible.The FCC states that new local service providers and their customers generally bear the costs of RCF and FDID.

VI. Location Portability Should Be Considered a Future Application and Should Not Delay Implementation of Provider Portability

When discussing location portability, it is important to determine the scope under consideration. Location

portability could have a scope confined narrowly to a local wire center, or it could potentially extend throughout the country. While location portability within a wire center area is possible today, location portability on a larger scale -- statewide, regionwide or nationwide -- is not feasible and may not be desirable at this time.

To allow geographic numbers to be transported across state boundaries, or even beyond NPA boundaries, would negatively affect the numbering resource. Suppose, for example, that large numbers of elderly residents moving out of the Northeastern states decide to take their numbers to the sun belt. The Northeast might find itself with a number shortage situation, while the Southern states would have a number glut. Location portability might aggravate the NPA exhaust situations already being resolved around the country. In any event, absent broad-scale location portability, a number-forwarding service may satisfy the need of the customers who migrate with the seasons to another region and who wish to take their numbers with them.

In addition, location portability may have a detrimental impact on consumers because the link between a telephone number and a geographic location would be broken, and callers may not be able to determine which calls were local and which were toll. There is value for the calling party to be able to identify a toll call from the NPA itself.

In MCI's view, the FCC should focus its current attention on provider portability, which raises greater concerns for competitive provision of local services.

VII. Portability of Nongeographic Telephone Numbers Is in the Public Interest

MCI agrees with the FCC's tentative conclusion (NPRM at ¶ 69) that provider portability for 900 and 500 numbers is beneficial because it will allow customers to respond to service and price differences among providers. MCI has a long history of advocating regulatory policies that allow consumers to choose their services and carriers. As the Commission noted (NPRM at ¶ 73), MCI supported initiation of a rulemaking to examine replacement of the current NXX-based system of screening 900 numbers with a ten-digit database screening system, which would enable 900 numbers to be transported among interexchange carriers.[10] MCI endorses the concept of portability for 900 and 500 numbers and urges the Commission to move forward in examining the issues related to portability of these numbers.

---

[10] MCI Comments, RM No. 8535, dated Nov. 23, 1994; Reply Comments, dated Dec. 12, 1994. 900 number access is currently provided through NXX screening, as 800 access was provided pre-portability. The petition filed by Teleservices Industry Association requested that the FCC require implementation of a 10-digit database system that would enable information providers to switch their 900 service provider without changing their 900 numbers.

A. The Public Interest Would Be Served by Development of Portability for 900 and 500 Numbers

1. 900 Numbers

Information service providers would benefit from being able to change 900 service carriers without changing their numbers and without incurring the cost of additional advertising, just as 800 customers recognized a benefit from 800 portability. Providers specializing in customer support applications frequently provide their 900 numbers in customer brochures and handbooks. Advertising often represents one of the largest cost components for information providers, accounting for up to 80% of their variable costs. In addition, many information oriented 900 applications use "vanity" numbers to facilitate calls by customers. Vanity numbers such as, 900-WEATHER, 900-TV-GUIDE, and 900-RED-CROSS have significant brand equity established and portability is a critical requirement in order to be able to transfer the application to other carriers.

2. 500 Numbers

The 500 service provides a number that finds and follows the subscriber. 500 service offers unique flexibility for subscribers, allowing them to relocate to different areas without having to change their number. The 500 service is limited today because it lacks portability. Without portability, the subscriber is forced either to stay

with the current carrier and forgo the advantage of competitive offerings, or to abandon the number which (s)he thought was a number that could be used for a lifetime.

Portability of 500 numbers would provide a number of advantages for customers: (1) it would allow them to select a carrier based on services and features, rather than the number available; (2) it would allow them to save money by selecting a carrier with better pricing; (3) it would provide them with greater control of traffic management, reporting, billing analyses and customer service, which would increase productivity and efficiency; and (4) it would reduce the business risk associated with lost calls due to single vendor failure by providing the option to split traffic among carriers.

MCI agrees with the Commission (NPRM at ¶ 69) that service provider portability for 500 (and other personal communications services (PCS) N00) numbers would be beneficial because it would allow customers to respond to service and price differences among providers. Competition among personal communication services providers will ensure that services are offered quickly and at competitive prices. Portability of 800 numbers has been a tremendous success in creating a service environment in which carriers compete on features and pricing. MCI believes the success of 800 portability demonstrates the benefits of bringing 500 portability promptly to the market.

As the Commission notes (NPRM at ¶¶ 75-76), the Common Carrier Bureau has directed the assignment of 500 NXX codes and has urged the development of a plan to achieve 500 number portability. The INC established a workshop to develop a plan to provide service provider portability for 500 and other PCS N00 services and has filed a report with the Bureau that contains alternative database architectures for portability and an estimated implementation schedule. However, the INC concluded that implementation cannot proceed until there is regulatory guidance on certain issues. The Commission recently stated that it "continue[s] to believe that [500 number] portability should be achieved as expeditiously as possible so that subscribers will be able to change service providers while retaining the same 500 number.[11] Therefore, the time has arrived for an FCC decision that would advance the development of 500 number portability.

B. 900 and 500 Number Portability Can Be Implemented in a Manner Similar to 800 Portability

MCI believes that implementation and administration of 800 number portability would provide many of the answers needed to implement 900 and 500 number portability. MCI believes that 900 and 500 number portability should be implemented on a nationwide or at least a regional basis.

---

[11] Letter from A. Richard Metzger, Jr., Acting Chief, Common Carrier Bureau, to Ronald R. Conners, Director, NANP Administration, dated May 3, 1994.

To achieve nationwide portability, a Service Management System (SMS) would need to be implemented to provide carrier and routing information, so that access providers would know where to deliver the call. Carriers would need the ability to access the database(s) so they could download the information necessary to transport numbers and route the calls.

MCI believes that administration of the 900 and 500 database management system should be performed by an independent third party, as is the case with 800 portability. The industry has the organizational infrastructure and systems in place to support the 800 SMS function. This structure could be expanded to encompass the 900 and 500 SMS functions. MCI believes that much of the technology used to achieve 800 portability could be used to implement 900 and 500 number portability.

For 900 and 500 number portability to be achieved, the LEC serving the area where the call originates would need to install facilities by which it can access a continuously updated database that lists all 900 and 500 numbers in service, along with the transport carrier which each customer has selected to transport its calls.

As noted by Teleservices in the previous proceeding, three types of facilities are required: (1) a high-speed signalling network that operates independently, but in conjunction with, the public switched telephone network; (2)

a centralized database containing carrier routing instructions for each number; and (3) transmission facilities that link the database with the signalling network.[12]

In addition, to achieve 900 and 500 number portability in a technically efficient and reliable manner, the database system would need to be made mandatory for all carriers under the following conditions:

(1) SS7 must be available at all LEC access tandems;

(2) Signal Transfer Points (STPs) supporting SS7 must be located in each LATA; and

(3) Independent local telephone companies must participate in the database plan by providing SS7 connectivity, either directly or through other exchange carriers.

These requirements are essential to overcome the problems of significant post-dial delay; to ensure network survivability and reliability of 900 access service; and to ensure ubiquitous access for 900 and 500 service.

C. Deployment of Advanced Intelligent Network Technology Should Facilitate Implementation of 900 and 500 Portability

MCI believes that, Advanced Intelligent Network (AIN) technology can facilitate the transition to 900 and 500

---

[12] Teleservices Industry Association, Petition for Rulemaking, Provision of Access for 900 Service at 16, RM No. 8535, filed Oct 18, 1994.

number portability. The intelligence now exists to permit 10-digit screening. The release of AIN 0.1 allows for additional nonswitch-based service development.

Many Regional Bell Operating Companies (RBOCs) are in the process of implementing AIN technology. In other contexts, the local exchange carriers have indicated that widespread use of AIN technology is proceeding quickly. For instance, BellSouth projected that 70% of its access lines would have AIN capabilities by January 1995.[13] US West stated that it is aggressively deploying AIN in its network" and that it expects that end office switches serving approximately half of its access lines will be AIN-compatible before the end of 1995.[14] US West further noted that, given the extent of its anticipated AIN deployment, it should have much of the infrastructure in place support the provision of 900 number portability by the end of 1995, although it may need to expand the infrastructure to accommodate interconnection with a national SMS.[15] Southwestern Bell listed AIN as one of its available

---

[13] BellSouth, Petition for Waiver of Part 69 of the Commission's Rules To Provide 500 Access Service at 3, DA 94-893, filed Aug. 12, 1994.

[14] US West Comments at 5, Provision of Access for 900 Number Service, RM 8535, filed Nov. 23, 1994. See also, US West, Reply to Petition To Reject, Opposition and Comments at 6, Petition of US West Communications for Waiver of Part 69 of the Commission's Rules to Provide 500 Access Service, filed Sept. 9, 1994.

[15] US West Comments at 5, RM 8535, supra.

technologies. NYNEX[16] and Ameritech[17] have stated that they plan to provide 500 access service using AIN technology.

With the potentially widespread use of AIN technology in the near term, it appears that, with modification, the appropriate technology to implement 900 portability exists. Furthermore, current and planned investments in AIN technology could minimize the costs of implementing 900 portability since development would not be started from "ground zero."

D. The Commission Must Require Submission of Cost Data Associated with Implementation of 900 Portability

In RM 8535, several RBOCs claimed that the costs to implement 900 portability would be high.[18] These assertions were not supported in the record. As the Commission is aware, in its proceeding on implementing 800 number portability, cost information initially submitted by the RBOCs was accompanied by little or no supporting

---

[16] NYNEX Reply Comments, NYNEX Petition for Waiver of Part 69 of the Commission's Rules to Offer 500 Access Service at 3, DA 94-952, filed Sept. 21, 1994.

[17] Ameritech's Reply Comments, Petitions for Waiver of the Commission's Rules To Provide 500 Access Service at 3, DA 94-893, filed Sept. 9, 1994.

[18] BellSouth Comments at 3; Ameritech Comments at 1; Southwestern Bell Comments at 2; Pacific Bell Comments at 2-3; and US West Comments at 2-4.

information,[19] and the Commission found discrepancies in the information that was submitted.[20]

In short, the Commission found that, without a break-down of data into component elements and an explanation of how they were generated, it was not possible to assess the accuracy of those cost data. Likewise, in order for the Commission to make an informed decision in this proceeding, it will be necessary for the Commission to require submission of detailed cost information. Furthermore, to ensure accuracy of these data, the Commission would need to obtain additional cost information from vendors.

MCI acknowledges that the LECs will incur costs to accommodate 900 portability. MCI suspects that these cost estimates are small when compared with the LECs' annual investment in switching systems on the order of $2.5 billion.

MCI believes that the incremental cost to implement 900 portability would be much less than the costs associated with 800 portability since the LECs have already invested in development to allow end offices to route calls to carriers based on NPAs. Furthermore, the costs must be balanced against the significant public benefits derived from number

---

[19] Provision of Access for 800 Service, Supplemental Notice of Proposed Rulemaking, CC Docket No. 86-10 at 3, released Feb. 18, 1988.

[20] Provision of Access for 800 Service, Report and Order, CC Docket No. 86-10 at 3, released Apr. 21, 1989.

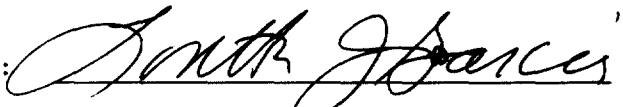
portability, including increased competition and lower cost of services.

VIII. CONCLUSION

Therefore, for the reasons discussed above, MCI advocates implementation of provider portability using the CPC model and proceeding with the LRN model when it becomes achievable. MCI endorses full examination of portability for 900 and 500 services. And, MCI recommends further investigation of issues related to location portability before requiring its implementation.

Respectfully submitted,

MCI TELECOMMUNICATIONS CORPORATION

By: 

Loretta J. Garcia
Donald J. Elardo

1801 Pennsylvania Avenue, N.W.
Washington, D.C. 20006
(202) 887-2082

Its Attorneys

Dated: September 12, 1995

ATTACHMENT A

MCI COMMENTS

CC DOCKET 95-116

LOCAL NUMBER PORTABILITY NATIONAL STUDY

EXECUTIVE SUMMARY

MCI TELECOMMUNICATONS CORPORATION
WASHINGTON, D.C.

PREPARED BY:
THE GALLUP ORGANZATION

EXECUTIVE SUMMARY

INTRODUCTION

The Local Number Portability - National Study was initiated by The Gallup organization for MCI Communications in order to assess the current market conditions regarding the likelihood of businesses and consumers to switch local telephone service providers if given the opportunity. Businesses and consumers were queried on their likelihood to switch providers given various scenarios and the importance of several service factors regarding local telephone service.

METHODOLOGY

The study utilized a random sample design in order to obtain a representative nationwide sample of both businesses and consumers. Businesses were contacted using a list supplied by Dun & Bradstreet and the consumer sample list was obtained from Survey Sampling Inc The business survey was conducted from September 20 through October 26 1994 and the consumer survey was conducted from September 19 through October 27, 1994. A sample of 2,050 respondents was obtained for the business survey which provides a confidence interval of $\pm$ 2.2% at the 95% confidence level. In other words, 95 times out of 100 the results obtained from a sample of businesses would vary no more than $\pm$ 2.2% from the results that would be obtained from interviewing all businesses during the same time period. The sample of 2,008 for the consumer survey provides a similar level of reliability.

STUDY FINDINGS - BUSINESS CUSTOMERS

The majority of business customers (57%) are unlikely to switch local telephone service providers given the opportunity (see Figure 1). However, if a provider offered a 10% or 20% reduction in service charges the majority of business customers, 57% and 70%, respectively reported that they would be very or somewhat likely to switch local service providers. A solid majority of business customers (83%) felt that retaining their company's telephone number or numbers when switching local service providers was very important, only 5% reported that it was not at all important (see Figure 2). When business customers were again asked about their likelihood to switch local service providers, with the added provision that they would have to change telephone numbers, the percentage of businesses reporting they were unlikely to switch providers grew to 90% (see Figure 3). Given rate reductions of 10% and 20%, the number of business customers likely to switch remained relatively low at 16% and 24%, respectively. Just under two-thirds of business customers thought they would incur costs if they had to change telephone numbers (see Figure 4).

The majority of business customers responded that retaining their local telephone number listing was very important, whether it be white pages, yellow pages or directory assistance (see Figure 5). While over one-quarter of business customers reported switching long distance providers, only 3% reported changing their local telephone number. This would indicate that should local number

portability not be an option, changing telephone numbers (in order to switch to another local carrier) is an experience few businesses will be familiar with.

STUDY FINDINGS - RESIDENTIAL CUSTOMERS

Almost two-thirds of consumers would be unlikely to switch from their local phone company to another provider (see Figure 7). The percentage of consumers responding that it is very important to retain their telephone number when switching providers is less compared to business customers. However, over three-quarters of consumers reported number retention as very or somewhat important (see Figure 8).The majority of consumers (80%) stated they would be very or somewhat unlikely to switch local service providers if they had to incur a telephone number change (see Figure 9). Only when offered a 20% reduction in service charges, is the majority of consumers very or somewhat likely to switch providers.

Approximately three-quarters of consumers reported they had listed telephone numbers (see Figure 10) and just under three-quarters of these consumers thought it very or somewhat important that they be able to retain a local telephone number listing in a phone book or directory assistance (see Figure 11). The majority of consumers would not be likely to switch local telephone service providers if they lost their local telephone number listing even with a 10% or 20% rate reduction (see Figure 12). Eighteen percent of consumers reported they had

switched long distance carriers in the last 12 months while 13% stated they had changed their telephone number.

LIKELIHOOD OF SWITCHING LOCAL TELEPHONE SERVICE PROVIDERS

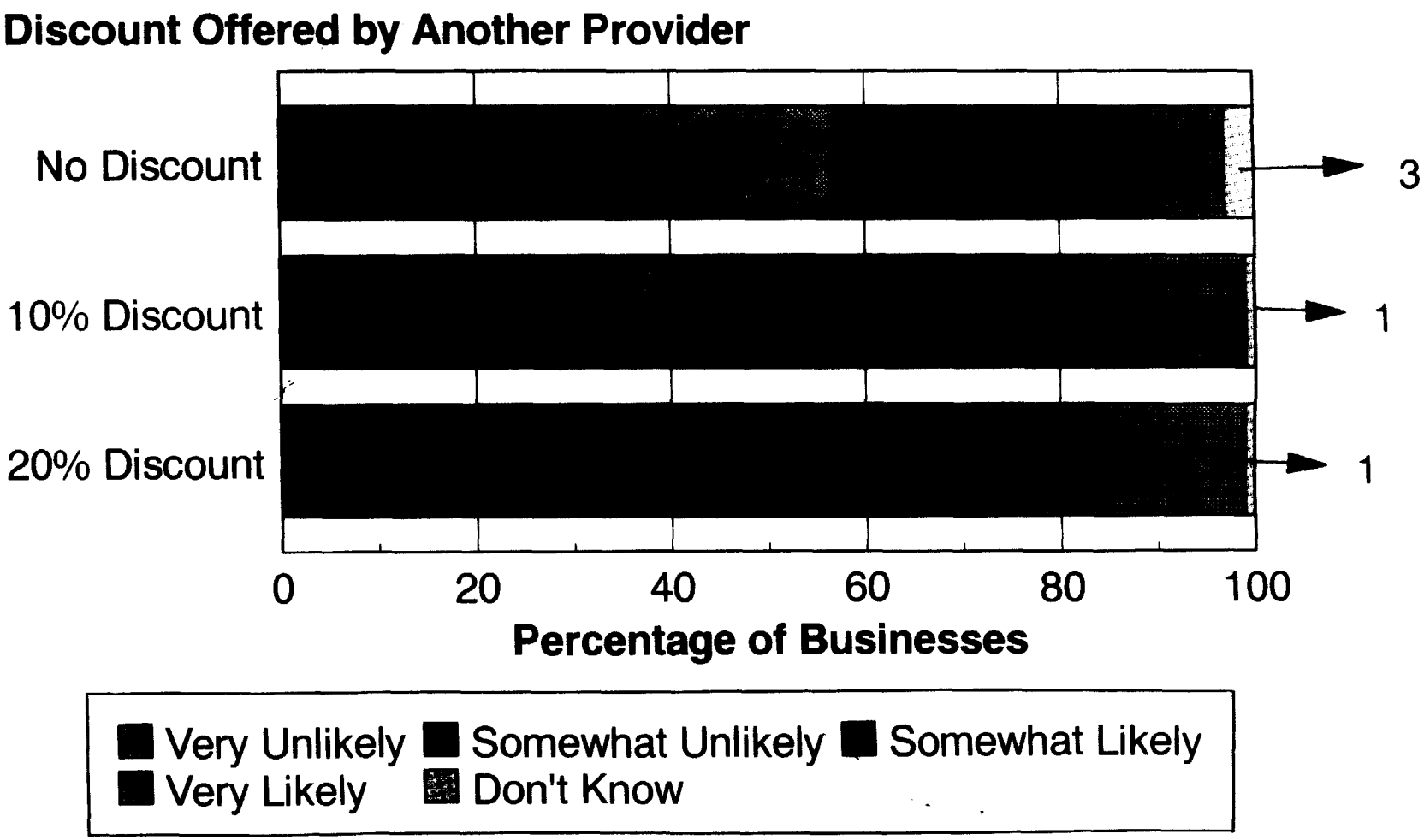


FIGURE 1

IMPORTANCE OF RETAINING TELEPHONE NUMBER WHEN SWITCHING PROVIDERS

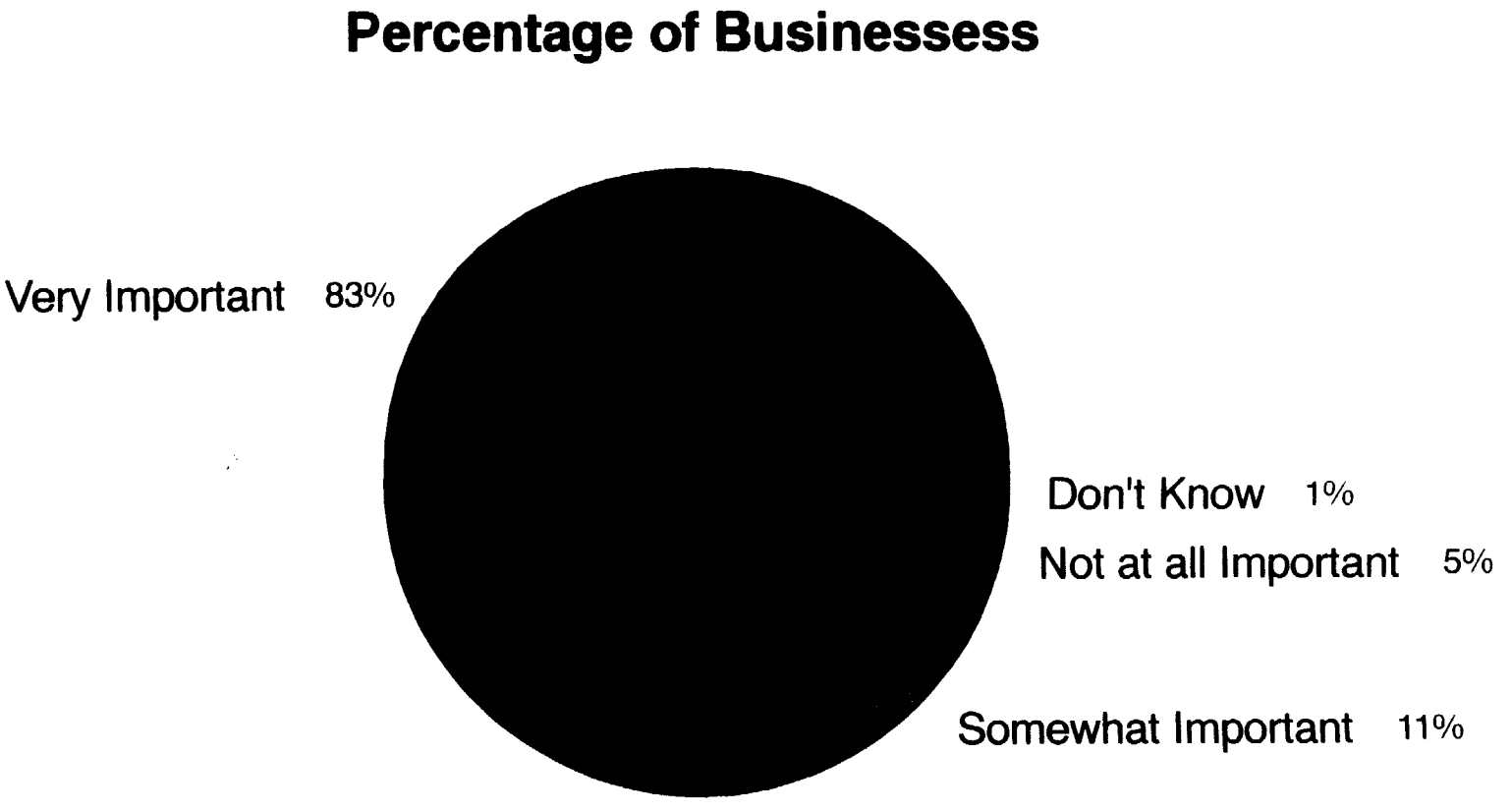


FIGURE 2

LIKELIHOOD OF SWITCHING LOCAL TELEPHONE SERVICE PROVIDERS WITH NUMBER CHANGE

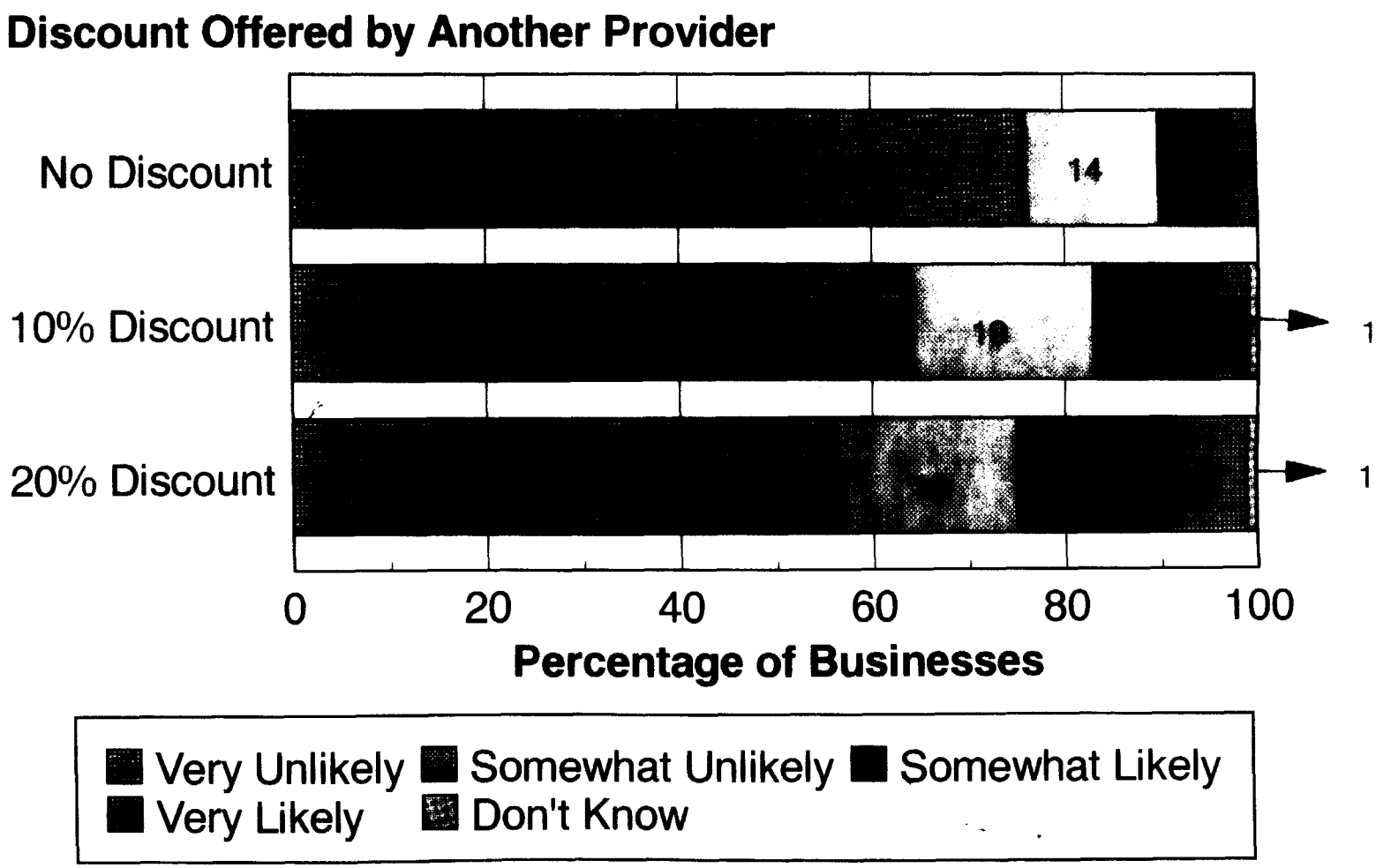


FIGURE 3

COSTS INCURRED IF COMPANY CHANGED PHONE NUMBERS

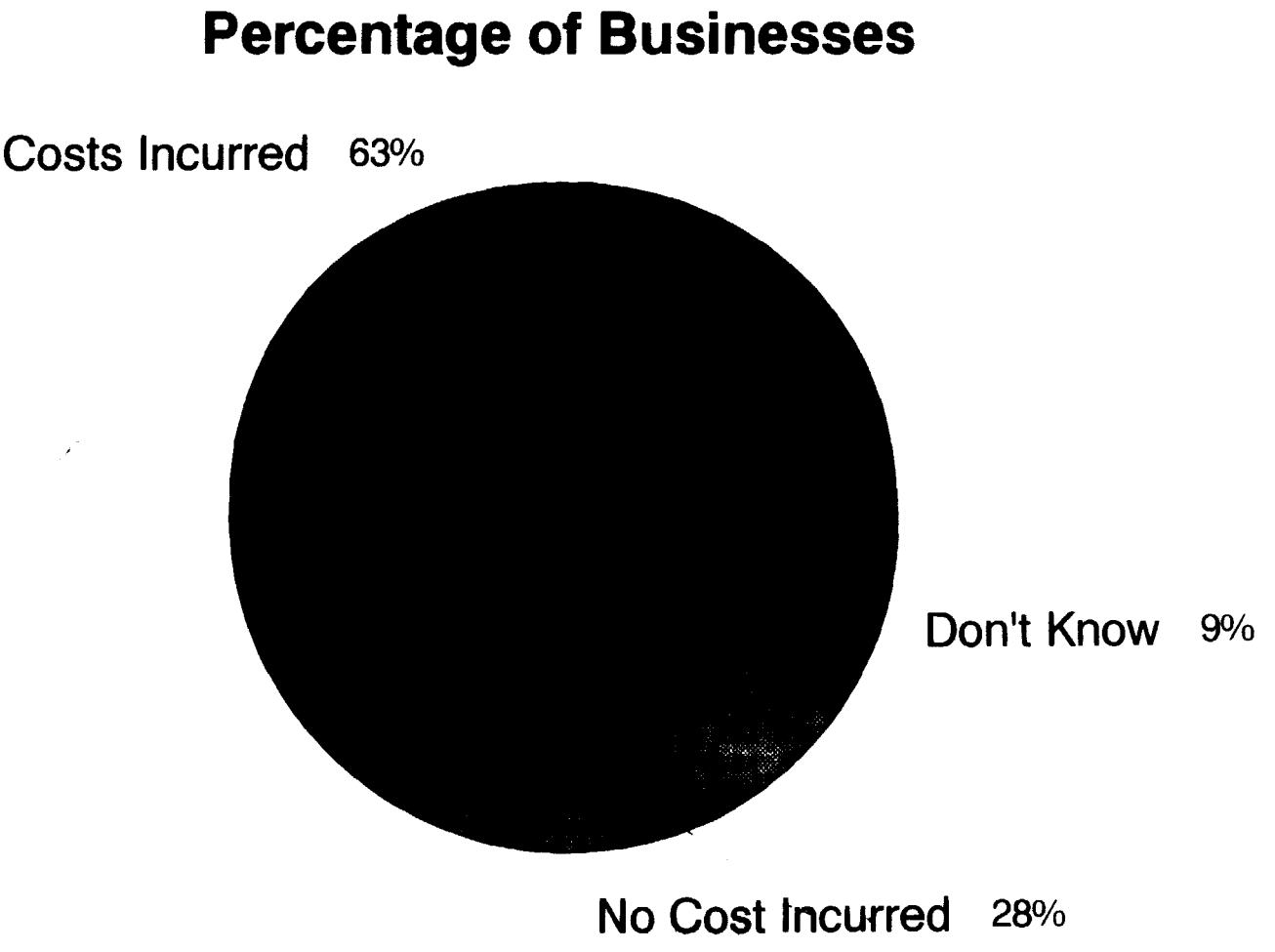


FIGURE 4

IMPORTANCE OF RETAINING LOCAL TELEPHONE LISTING WHEN SWITCHING PROVIDERS

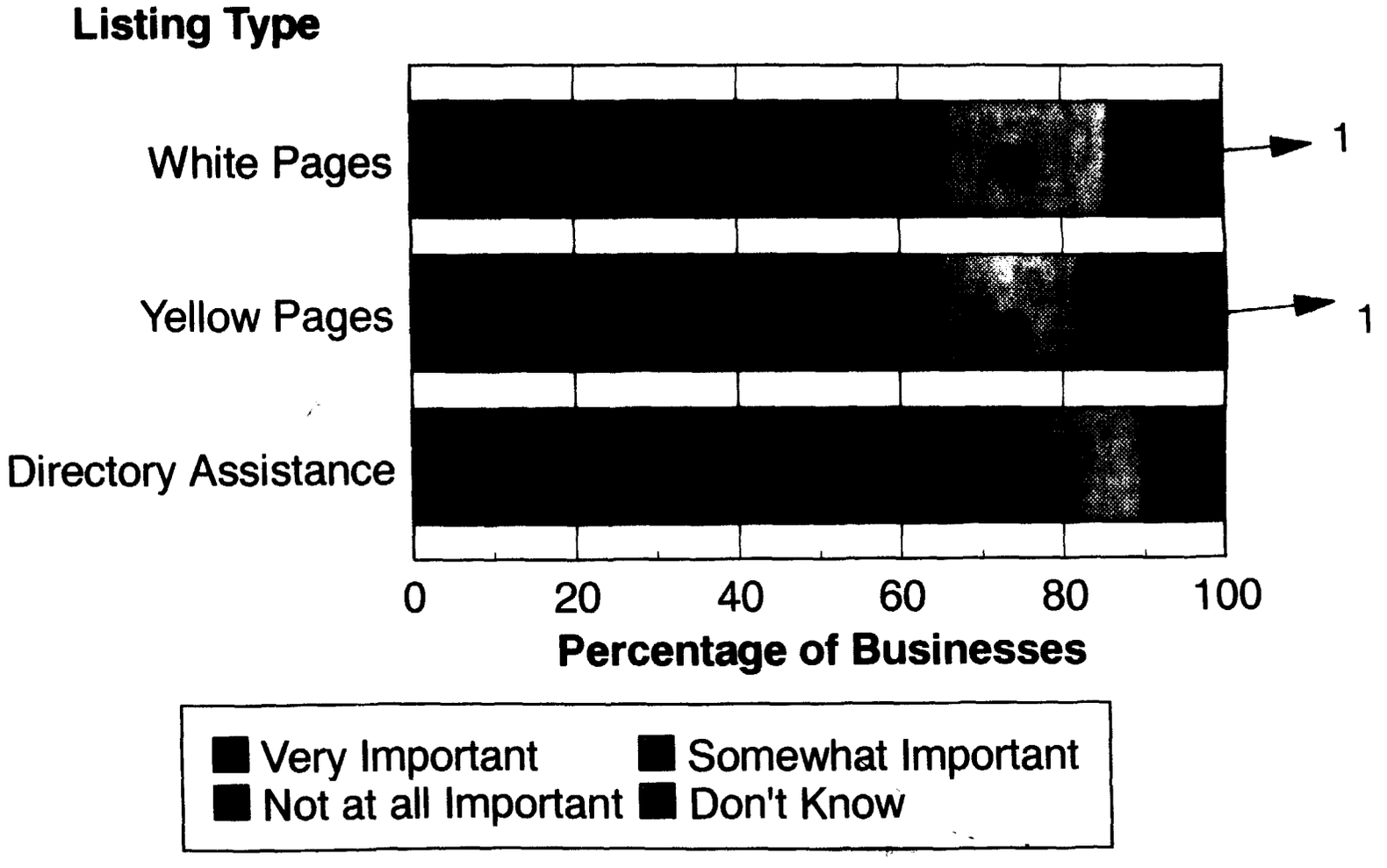


FIGURE 5

BUSINESSES MAKING TELEPHONE SERVICE CHANGES IN THE LAST YEAR

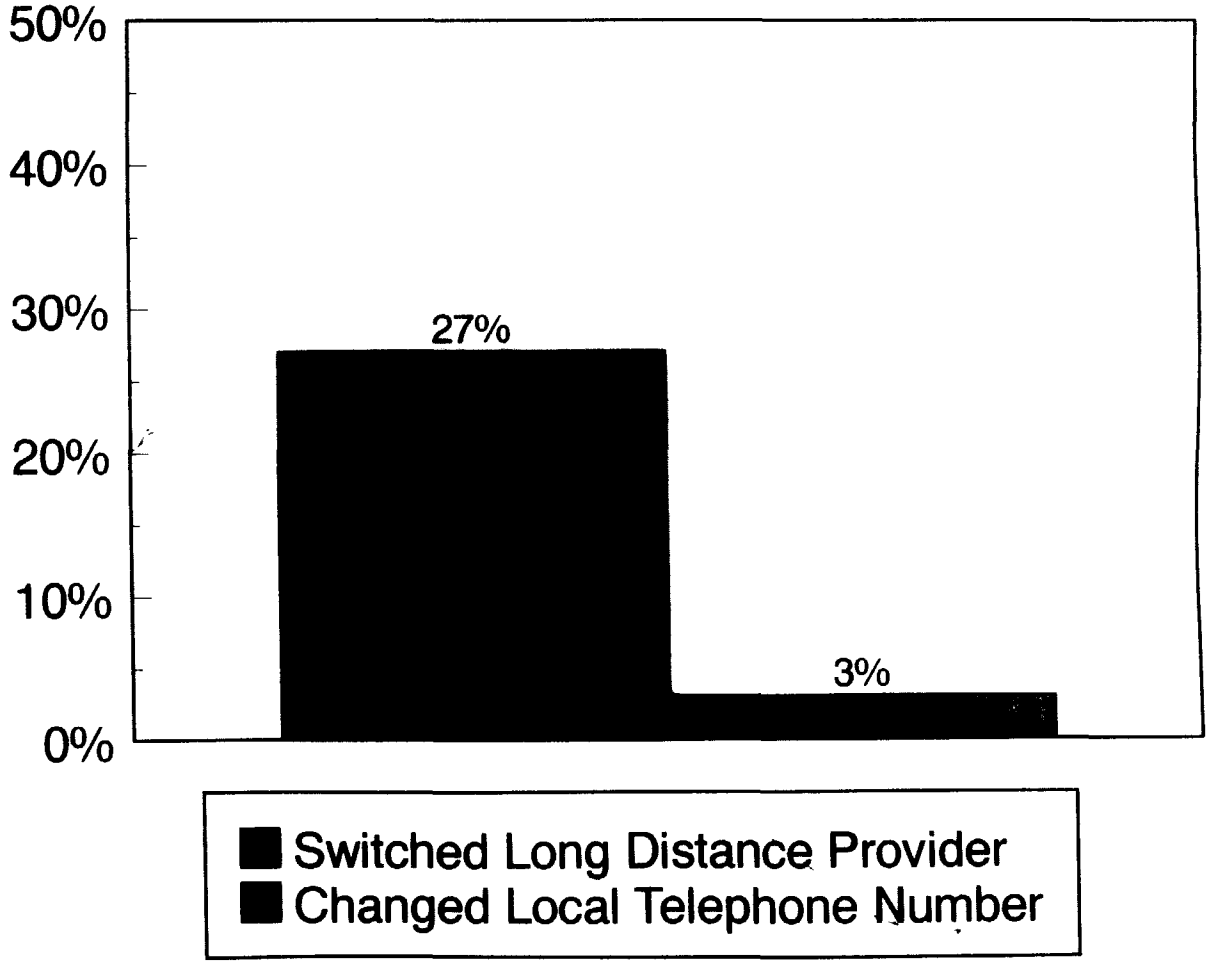


FIGURE 6